

Before the
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Evansdale Branch		Docket No. A2011-103
Evansdale, Iowa		

INITIAL BRIEF OF PETITIONER CHAD DEUTSCH

(November 21, 2011)

Respectfully submitted,

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STATEMENT OF THE CASE

On September 30, 2011, the Commission received a petition for review of the determination by the Postal Service to close the Evansdale Branch in Evansdale, Iowa. The petitioner is Chad Deutsch, Mayor of the City of Evansdale. In Order No. 896, issued on October 5, 2011, the Commission instituted a proceeding under 39 U.S.C. § 404(d)(5) and established Docket No. A2011-103 to consider petitioner's appeal. On October 11, 2011, the Commission received a petition for review from Craig Chilton.

On October 17, 2011, the Postal Service filed the Administrative Record. On November 4, 2011, a Participant Statement was received from Craig Chilton. Also on November 4, 2011, petitioner Chad Deutsch filed a motion for an extension of time until November 21, 2011, to file the Initial Brief.

PERTINENT STATUTORY AUTHORITY

The applicable statute is 39 U.S.C. § 404(d). The Commission has explained that, under 39 U.S.C. § 404(d), the Postal Service must provide notice prior to making a determination to close any post office. Notice of its intent to close is required at least 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. If the Postal Service decides to close the post office, it must make its Final

Determination available to the public for 30 days, allowing the patrons the opportunity to appeal the determination to the Commission. The Commission reviews the Postal Service's determination to close or consolidate a post office on the basis of the record before the Postal Service in the making of such determination, as required by 39 U.S.C. § 404(d)(5). *See* Docket No. A2011-16, Order No. 843, Order Affirming Determination (Akron-East Station), September 8, 2011, at 8. The Postal Service shall take no action to close or consolidate a post office until 60 days after its written determination is made available to persons served by such office. *See* 39 U.S.C. § 404(d)(4).

In making a determination whether or not to close a post office, the Postal Service must consider the following factors, pursuant to § 404(d)(2)(A): the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service.

The Commission has repeatedly rejected the Postal Service's jurisdictional arguments based on the Postal Service's internal categorization of its retail facilities. *See* Docket No. A2010-3, Order No. 477, Order Dismissing Appeal (East Elko), June 22, 2010, at 5-6.

The provisions in § 404(b), now codified as § 404(d), were found to apply to closings and consolidations and not to the transfer of sorting activities. A major distinction was that postal customers would not be affected by the transfers. In light of the continuation of all postal services rendered to the public, the public would not know where the bulk mail sorting operations occurred. *Knapp v. United States Postal Service*, 449 F.Supp. 158, 162 (E.D.Mi. 1978). Thus, the important policy considerations of 39 U.S.C. § 404(d) are based on the effect of closings and consolidations on the postal customers.

The Commission shall set aside any determination, findings, or conclusions found to be (A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (B) without observance of procedure required by law; or (C) unsupported by substantial evidence on the record. The Commission may affirm the determination of the Postal Service or order that the entire matter be returned for further consideration. *See* 39 U.S.C. § 404(d)(5).

FACTUAL BACKGROUND

City of Evansdale

The city of Evansdale is incorporated community located in Black Hawk County, Iowa. It is governed by a Mayor and council. There are an Evansdale

Police Department and Evansdale Fire Department. Evansdale has numerous businesses, organizations and churches. *See* Final Determination.

A map of the city of Evansdale is attached hereto. The city of Evansdale has a newsletter. The September 2011 issue (attached hereto) discusses the September 2, 2011, announcement that the Evansdale Post Office would close on October 21, 2011. According to census data, the population of Evansdale, Iowa, has increased from 4,526 in 2000 to 4,751 in 2010. This constitutes a 5% increase in population. *See* http://en.wikipedia.org/wiki/Evansdale,_Iowa.

Notice to Evansdale Postal Customers

A letter dated March 4, 2011, to the District Manager from the Manager of Post Office Operations stated that "I request your authorization to investigate a possible change in postal services for the office in the 01 congressional district." The letter also stated that "Discontinuance study request based on declining workload, volume, and the ability of the Postal Service to provide service by alternate means." Administrative Record, Item No. 1.

The Postal Service has acknowledged "the relative paucity of station and branch discontinuance proposals that had trickled up from the field to headquarters in the past five years," noting that there "were only 21." Thus, it is important to identify and evaluate the circumstances under which this discontinuance proposal

was initiated. *See* Docket No. N2009-1, Station and Branch Optimization and Consolidation Initiative, 2009, Reply Brief of the United States Postal Service, December 16, 2009, at 36, n. 26.

The Post Office Survey Sheet indicates that the lease expires on 1/31/2016. It does not state whether there is a cancellation clause. This document includes the number 019200, which apparently is the annual lease payment. The document also states that one career employee will be reassigned. Administrative Record, Item No. 15.

The Community Survey Sheet states that Evansdale is incorporated and is governed by a Mayor and council. There are an Evansdale Police Department and Evansdale Fire Department. The Community Survey Sheet includes a question about expected population growth and states "Please document your source." The answer (not very legible in the Administrative Record) appears to be 0.35 from Facilities Planning Website. There is no explanation as to what the Facilities Planning Website is or where it can be accessed. There is also a question about expected residential, commercial or business growth. That question includes the same instruction, "Please document your source." No answer is given to that question. Administrative Record, Item No. 16.

The copy of Post Office Closing Fact Sheet included in the Administrative Record is blurred and difficult to read. In the category about Staffing, there is a check mark by PM Vacancy & Date. The writing following that phrase cannot be read. The information about Receipts is very difficult to read. The category concerning Quarters has a check mark by Leased, but the expiration date is illegible. There is a check by the answer, no, to the question about a 30-day cancellation clause. Administrative Record, Item No. 18.

The document concerning the Final Determination 30-Day Posting Dates indicates that the date posted was 8/23/2011 and the date removed was 9/24/2011. However, a footnote states that "Final determination posting is not required for CPO, classified station, or classified branch discontinuance." Administrative Record, Item No. 50.

The procedure for posting the Final Determination is described in a letter dated 8/09/2011 to the District Manager in Cedar Rapids, Iowa. The letter instructs that the Change Announcement form should be completed on the day the Final Determination is removed. One copy of the form would be used to document the official record. The letter also states that "the law prohibits discontinuance sooner than 60 days after the date the final determination was posted." Administrative Record, Item No. 54. There apparently is no indication in the Administrative Record that the Final Determination was actually posted. The

indication would be shown by Item 49, showing the round-date stamped Final Determination cover sheet.

The Administrative Record includes a letter dated 9/02/2011, which is addressed to "Postal Customer." The letter states that "This is to advise you that the Evansdale Branch will be officially closed at the close of business Friday, 10/21/2011." The letter also states that "Retail and delivery services from the Waterloo Main Post Office will ensure effective and regular services to the Evansdale customers." Administrative Record, Item No. 55.

The letter dated September 2, 2011, did not provide the required 60-day notice before the closing date of October 21, 2011. Also, the Final Determination was not posted.

Comments of Postal Customers

In a letter to postal service customers dated 4/08/2011, the Manager, Post Office Operations stated "I would like your opinion concerning a possible change in the way your postal service is provided. The recommended change is tentative and will not lead to a formal proposal unless we conclude that it will provide a maximum degree of regular and effective service. A review of the business activities at the Evansdale Branch revealed that the office workload had declined. This reduced workload suggests that the maintenance of the Evansdale Branch may

not be warranted.ö The letter included a questionnaire. Administrative Record, Item No. 21.

The questionnaires included numerous comments. Following are some of those comments.

Closing the Evansdale P.O. would cause a disruption in my business & would add to my expenses either in gas going to Waterloo more frequently or having a mail slot installed in the building. The Evansdale Chamber has spent quite a bit of money sprucing up Evansdale & enlisting new businesses to locate here. Closing the P.O. is a step in the opposite direction. Administrative Record, Item No. 22, p. 1a.

I will not get a P.O. Box in Waterloo. Gas is too costly and do not like downtown Waterloo. Administrative Record, Item No. 22, p. 2b.

Please do not close this Branch. I noticed much activity here, and closing would cause hardship esp. for those who need it most! Administrative Record, Item No. 22, p. 8b.

I am 80 years old and would be hurt to lose my P.O., I am at my P.O. every day. Administrative Record, Item No. 22, p. 9c.

I think it would be a big loss to our community to lose the Post Office.
Administrative Record, Item No. 22, p. 12b.

Why would I want to drive 6 or 7 miles out of my way with gas pushing \$4.00 a gal. I don't like driving downtown and I don't have any problems with this post office. Plus I would have to take off work early just to make it to the post office. Leave it alone. If it isn't broke, don't fix it. Administrative Record, Item No. 22, p. 14b.

I depend on my sister to drive me wherever I need to go. This would put an additional hardship on her because she shops here in Evansdale for groceries. Administrative Record, Item No. 22, p. 15b.

If we had no post office in Evansdale our senior citizens that live in the housing behind would have to find transportation if now they just walk in or are in motorized wheel chairs. Administrative Record, Item No. 22, p. 19b.

Answered Yes but a lot less so to the question about continuing to use local businesses if the Post Office is discontinued. Administrative Record, Item No. 22, p. 21b.

My availability of home delivered mail at my apartment is not

dependable or secure. I have maintained by PO box since 1977 and feel it is best for my mail. As a disabled adult I will not have easy access to buy stamps or mail packages which I do regularly. There are many Evansdale residents who are in the same situation. Please reconsider and keep our PO open. Even if hours are cut we still need our PO. Administrative Record, Item No. 22, p. 23b.

We have had our postal box at the Evansdale branch for 40 years. If Evansdale is closed we will no longer rent a box. We have always had very courteous service from the Evansdale branch workers. They do their jobs well. Also, there are many senior & handicapped users that don't drive that will no longer be getting their postal needs met. Please do not close the Evansdale Post Office. Administrative Record, Item No. 22, p. 25c.

I am writing in regards to your survey about the Evansdale, Iowa post office branch. I am not the kind of person that takes time to fill out surveys or even write a letter, however I feel that in this instance I would like my voice heard and that of those close to me. I have been a resident of Evansdale for 8 years and my husband for 33 years. We are a small community but we take a lot of pride in it. Evansdale has the advantage of small town appeal, but also the proximity to big city conveniences. My husband and I have watched business come

and go from the community, but the loss of the post office would be devastating. Personally we use the post office several times a week as we have a post office box there as well as general mailing and postage needs. EVERY time I go to the post office there is a line of people and our one postal worker is so helpful and courteous even though he is very busy. People chatter in line as they wait and many know each other by name. I hope this illustrates to you how close knit our community is and how losing what may seem to you as just a small postal office, but to us is part of the small town pride and nostalgia. I know we are in a time of finding ways to save money, but this particular post office is special and needn't be closed. Right now this little town I live in meets all of my needs. I can get groceries, go to the post office, get gas, get household items, worship, have work done on my house and eat out all within our small city limits. I as well as my husband and our family would hate to see the loss of our Post Office. Being a skeptical person, I imagine my one letter will not change the minds of such a large operation, but my voice will at least be heard. And my voice represents many of those who would be deeply saddened at the thought of losing this part of our small town community. Thank you so much for your time.

Administrative Record, Item No. 22, p. 28c.

If the Evansdale Branch is closed, my PO Box will be permanently Closed ó Waterloo Branch is too far away ó has long lines ó I do

all the postal work for my work as well as personal on my hour lunch. That couldn't be done @ the Waterloo Branch. I'd have no choice but to use online communications for everything and all packages will have to go UPS or Fedex. I will not go to the downtown Waterloo Branch. Administrative Record, Item No. 22, p. 30b.

We can't defend any reason for not having our own post office. Waterloo isn't that safe and parking isn't that good either. Who wants to wait in line for an hour or more? I use a cane and can't stand for that long at a time. Administrative Record, Item No. 22, p. 31b.

Evansdale needs the service of this Post Office. It is very important to many of the citizens. There's got to be better ways to save a buck or two instead of punishing the customers. Administrative Record, Item No. 22, p. 35b.

My husband and I manage Deerwood Park Campground in Evansdale. A majority of our campers are seasonal and receive all of their mail via the Evansdale Post Office. Administrative Record, Item No. 22, p. 39b.

I very much need the Evansdale branch to remain open for the following reasons: 1. The Waterloo PO is hard to get to in winter

as Waterloo doesn't plow well. 2. I live on limited income, so try to make one trip (PO, bank, grocery, gas, breakfast) to save gas. 3. I live 2 miles from Evansdale, 3 miles from Waterloo PO, 7 miles to HYVee. 4. HYVee overcharges frequently. 5. I run a business and mail orders out daily. 6. Since I own a business, I need verification packages are sent out, if I bought stamps I would not have this. 7. If everyone goes to HV, Fanny & bank in Evansdale lose business. PLEASE KEEP EVANSDALE BRANCH OPEN! Administrative Record, Item No. 22, p. 40c.

I have had a Post Office Box in Evansdale since 1975. It has been and still is extremely handy for me and my family to use the post office in Evansdale. My son also has a box in Evansdale. When I get off work in the morning I have to drive only a few blocks to get my mail and any packages I might have. I can also get my son's mail at the same time as his work hours conflict with the time the post office is open. My other 2 sons come past the post office as they come home from work so it is easy for them to stop also. When we go on vacation our mail is securely held at the post office. When we get home it is so handy to be able to get our mail right away. The clerks past and present have been and still are very knowledgeable and pleasant and accommodating and also efficient. There is no standing in line to have to wait for service. Anytime I have had to wait in line the time has been less than 5 minutes. Can you say that about your service in Waterloo? From all the

complaints I have heard I don't think so. Also it does not make sense to close a post office in a CITY the size of Evansdale to keep a post office open in a TOWN the size of Raymond. With the price of gas I for one will not appreciate having to drive 3 or 4 miles extra to get my mail and stamps when I only have to drive a few blocks now. The idea of closing the Evansdale office is ridiculous. Closing the Raymond office would make more sense. Administrative Record, Item No. 22, p. 41c.

If our Post Office would close, it would put a hardship on me and my friends. Especially during winter months, when most senior citizens don't drive their cars. I for one put mine in storage till spring, as I am unable to clean the snow off of it & move it for snow plowing of parking lot. We have no garage where I live. I certainly can't afford to hire transportation to all the places I need to go. Administrative Record, Item No. 22, p. 42c.

Closing this Post Office would be inconvenient for lots of the residents. We have very good employees at this Post Office. Please do not close, and make it a convenience for older persons to get their mail. Administrative Record, Item No. 22, p. 43b.

I think closing down the Evansdale post office is a huge mistake! There are many elderly people living in Evansdale, for them to have to drive downtown Waterloo to the post office is a very

big inconvenience. Not to mention all of the people and the steps. Also, whenever I am in the post office it is very busy. If business has seemed to decline you might take into account it was just winter. People try to limit trips out in the elements, particularly the elderly. I also want to voice my opinion on the hours of operation for the p.o. boxes. I do not know how you would working people to obtain their mail before 4:30! We pay to have a box and sometimes cannot get our mail. At least stay open until 6:00, so working people can get their mail and it wouldn't hurt to have it unlocked on Saturdays as well. Administrative Record, Item No. 22, p. 45c.

I think it would be a real shame if the Evansdale Post Office were closed. We are an ever expanding population that relies on our local P.O. Administrative Record, Item No. 22, p. 46b.

I also work at í We do all of our buying of stamps and mailing statements and such. I also do most of my shopping in Evansdale. Administrative Record, Item No. 22, p. 47b.

Checked box that proposal would provide worse service. Stated
- Mail comes as late as 6 PM. Have to travel to another P.O.
Lines longer. Administrative Record, Item No. 22, p. 50b.

Please do not close the Evansdale Post Office, it is a great asset to

the city of Evansdale as well as a large surrounding community of people that do business there. By closing this post office you will lose money. Instead of paying one individual a daily wage to operate and perform a multitude of tasks for numerous individuals, you will have to pay for the gas, time, and wages of many workers and carriers to ensure the same services are met to the wide and vast array of customers the Evansdale Post Office handles on a daily basis. The city of Evansdale and its existing businesses will be negatively impacted immensely if you close our post office. PLEASE DO NOT HURT OUR COMMUNITY!

Administrative Record, Item No. 22, p. 62c.

Time, distance, gas use would increase dramatically. Checked Box that proposed service would be worse. Administrative Record, Item No. 22, p. 64b.

The Postal Service Customer Questionnaire Analysis states that 133 questionnaires were distributed. According to the Analysis, 5 of the questionnaires were favorable to the proposal, 15 were unfavorable and 46 expressed no opinion. The total number of questionnaires returned was 66. Administrative Record, Item No. 23, p.1.

The record does not appear to support the conclusion that 15 questionnaires were unfavorable and 46 expressed no opinion. It appears that there were more

unfavorable responses and responses expressing an opinion than this Analysis states. The discussion of customer concerns and responses in the Analysis included in the Administrative Record is not legible, but it does not appear that the responses sufficiently addressed the many concerns in the questionnaires.

A community meeting was conducted on April 25, 2011. Administrative Record, Item No. 24. The Community Meeting Analysis included in the Administrative Record is only one page and appears to be incomplete. Administrative Record, Item No. 25.

There were several congressional inquiries. Administrative Record, Item No. 28. The certification of the record occurred on June 15, 2011. Administrative Record, Item No. 43.

The letter sent to the postal service customers on April 8, 2011, indicated that the recommended change is tentative and will not lead to a formal proposal unless we conclude that it will provide a maximum degree of regular and effective service. Administrative Record, Item No. 21. There does not appear to be a formal proposal included in the Administrative Record. In addition, the record does not show or explain how the Postal Service reached a conclusion that the change would provide a maximum degree of regular and effective service.

Final Determination

The Final Determination was signed by Dean J. Granholm, Vice President of Delivery and Post Office Operations, on August 9, 2011. It states that "This is the final determination to close the Evansdale, IA Branch and provide delivery and retail services by independent post office under the administrative responsibility of the Waterloo Post Office, located three miles away."

The office receipts for the last three years were \$270,763 (706 revenue units) in FY 2008; \$244,212 (637 revenue units) in FY 2009; and \$253,050 (660 revenue units) in FY 2010. Thus, the revenue has been fairly steady and showed an increase from FY 2009 to FY 2010.

The Final Determination lists advantages and disadvantages of the proposal. The final determinations consist of boilerplate phrases repeatedly used by the Postal Service. The advantages and disadvantages include those boilerplate phrases. In the Final Determination for the Evansdale Branch, there are references to retail services being provided by rural or contract carriers. However, there is no indication that the Evansdale community will be served by rural or contract carriers. These boilerplate phrases about rural and contract carriers were apparently included erroneously in the Final Determination.

Similarly, the Final Determination states that “There will no longer be a retail outlet in the community. However, delivery and retail services may be available from a rural or contract delivery carrier, which could alleviate the need to travel to a Post Office for service.” This statement also is boilerplate language, which is apparently used for closings that include establishing rural route service. The Evansdale Final Determination does not indicate that rural route service is to be established. Thus, this boilerplate phrase about rural or contract delivery service was erroneously included in the Final Determination.

ARGUMENT

I. There was not a valid reason to conduct a discontinuance study.

The letter concerning the authorization to conduct a discontinuance study stated that the request was based on “declining workload, volume, and the ability of the Postal Service to provide service by alternate means.” These are not factors supported by the record. The Evansdale Branch is profitable and the revenue increased from FY 2009 to FY 2010. It is inexplicable why the Postal Service would propose to conduct a discontinuance study on a profitable retail facility.

There is a substantial question as to what criteria the Postal Service has used to select stations and branches for discontinuance studies. There had only been 21

discontinuance proposals for stations and branches in the past five years, according to a statement by the Postal Service in a brief dated December 16, 2009.

The request to conduct a discontinuance study for the Evansdale Branch was dated March 4, 2011. That request was about a month after the five-year lease term began on February 1, 2011. If the Postal Service was considering closing the Evansdale Branch, it should not have signed a five-year lease just before it conducted the discontinuance study.

II. The Commission should remand the Final Determination for further consideration.

The Postal Service must consider the following factors in making a determination on whether or not to close a post office: the effect on the community, the effect on postal employees, whether a maximum degree of effective and regular postal service will be provided, and the economic savings to the Postal Service. *See* 39 U.S.C. § 404(d)(2)(A).

In light of the inadequate record and failure to address substantive concerns of the Evansdale postal customers, this matter should be remanded. The determination is arbitrary and capricious, without observance of procedure required by law and unsupported by substantial evidence on the record.

A. The Postal Service failed to make adequate findings supported by the record concerning the effect on the community.

The record does not support the findings about the effect on the community of Evansdale in closing the Evansdale Branch. First, it is necessary to understand what is meant by community in the requirement that the Postal Service shall consider “the effect of such closing or consolidation on the community served by such post office.” 39 U.S.C. § 404(d)(2)(A)(i).

In the East Elko case, the Postal Service discussed what constitutes a community. *See* Docket No. A2010-3, East Elko Station, Elko, Nevada, Comments of Postal Service, April 19, 2010, at 12. The Postal Service quoted at length a passage from the Oceana Station appeal and concluded that “(t)his language clarifies that for purposes of section 404(b), the entire city is a single community.” *See* Docket No. A82-10, Oceana Station, Virginia Beach, Virginia 23453, Order No. 436, June 25, 1982, at 7-8.

The responses to the questionnaires provide extensive comments about the effects of closing the Evansdale Branch on the city of Evansdale. The residents have shown a lot of civic pride in their town and do not want to lose the post office. In addition, it is clear that Evansdale businesses rely on the post office. Further, the elderly, persons who do not want to drive or are unable to drive and

persons with mobility problems need the convenience and accessibility of the Evansdale post office. There were specific references to the price of gas and the need to avoid unnecessary trips.

The standard, boilerplate response of the Postal Service to the comments includes the statement that "Businesses generally require regular and effective postal services, and these will always be provided to the community. There is no indication that the business community will be adversely affected. Questionnaire responses revealed that customers will continue to use local businesses if the post office is discontinued."

This response is unsupported by the record and wholly inadequate. It appears to assume that the only issue concerning the effect on the business community is whether customers will continue to use local businesses. Obviously, if postal customers are forced to go to Waterloo or some other location to obtain postal services, that would take time away from shopping in Evansdale. Further, the businesses themselves rely upon the Evansdale post office. The Postal Service simply states that regular and effective postal services will always be provided to the community, but it does not state how those postal services will be provided in a convenient manner to the businesses and people in the Evansdale community.

The Final Determination apparently did not include a discussion about the expected growth in Evansdale. The Community Survey Sheet includes a question about expected population growth and states "Please document your source." The answer (not very legible in the Administrative Record) appears to be "0.35 from Facilities Planning Website." There is no explanation as to what the Facilities Planning Website is or where it can be accessed. There is also a question about expected residential, commercial or business growth. That question includes the same instruction, "Please document your source." No answer is given to that question. Administrative Record, Item No. 16.

The lack of a substantive record concerning the community and its expected growth has been discussed by the Commission. In a very recent order concerning the Innis, Louisiana, Post Office, the Commission found that it "cannot conclude that the Postal Service has given adequate consideration to the closing of the Innis post office on the community. 1 The survey relied upon by the Postal Service contains only conclusory statements and, contrary to the instructions on the form itself, fails to provide sources of support for those conclusory statements." See Docket No. A2011-34, Innis, LA Post Office, Innis, Louisiana, Order Remanding Determination, November 16, 2011, at 9.

The record concerning the expected growth in Evansdale is faulty, just as was the record in the Innis, Louisiana case. This is an example of the

shortcomings in the Evansdale determination which shows that a remand is necessary.

B. The Postal Service failed to make adequate findings supported by the record concerning effective and regular service.

The Postal Service did not properly address the issues concerning effective and regular service. The comments are very moving in expressing concerns about traveling to Waterloo and the difficulties it presents, particularly in the winter. There are also strong concerns about the access and convenience for the elderly, those with mobility problems and those without a car or who do not want to pay for more gas to drive to Waterloo.

The Postal Service uses boilerplate responses in its final determinations. However, the Postal Service apparently used the wrong boilerplate responses in this determination. The responses used are those which apparently apply to determinations when a rural route service is established. For example, one of the advantages in the Final Determination is that “The rural and contract carriers may provide retail services, alleviating the need to go to the post office.”

The advantages and disadvantages also are simply boilerplate and are quite similar to the advantages and disadvantages in the Final Determination to Close the Chillicothe, Iowa Post Office and Establish Service by Rural Route Service. In the

Chillicothe, Iowa, case, the Postal Service had indicated that customers would not be required to travel to another post office because the services would be provided by carriers at a roadside mailbox located near the customer's residence. The current 32 post office box customers will receive rural route delivery. *See* Docket No. A2011-32, Chillicothe Post Office, Chillicothe, Iowa, Order Affirming Determination, November 16, 2011, at 6.

However, there apparently is no plan to establish rural route delivery service in Evansdale. Thus, the findings based on the existence of such a service are wholly arbitrary and not supported by the facts concerning the city of Evansdale and its postal customers.

In the recent Innis, Louisiana, appeal, the Commission stated that it "cannot conclude that the Postal Service gave meaningful consideration to the concerns expressed by Petitioner." The Commission found that the Postal Service had not satisfied the requirement that it consider whether customers will receive adequate and regular service if the Innis post office is closed. *See* Docket No. A2011-34, Innis, LA Post Office, Innis, Louisiana, Order Remanding Determination, November 16, 2011, at 11.

In this case, the Postal Service has clearly failed to consider the heartfelt and persuasive concerns from the customers of the Evansdale Branch concerning receiving adequate and regular service if the Evansdale Branch is closed.

C. The Postal Service failed to make adequate findings supported by the record concerning the economic savings to the Postal Service.

The Postal Service estimated that the total annual savings is \$62,935. This includes the following cost savings: \$32,760 for manager and/or craft savings; \$10,975 for fringe benefits; and \$19,200 for annual lease costs.

The estimated savings are not supported by the record. The Final Determination states that “Any Employees assigned to this facility will be relocated with the Postal Service.” Thus, it appears that there will be no cost savings for the manager and fringe benefits.

The purported savings in annual lease costs is also not supported by the record. There is a five-year lease that began on February 1, 2011, and expires on January 31, 2016. The annual lease payment is \$19,200. If the Postal Service has to pay for the lease from the date of closing, October 21, 2011, until the lease expiration on January 31, 2016, it will incur a cost of approximately \$81,600. In light of this five-year lease, there would be no cost savings from the lease in closing the Evansdale Branch. In fact, the Postal Service is apparently required to pay \$81,600 for the remainder of the lease after the Branch was closed.

The economic savings calculation is incomplete because it omits any discussion of revenue. The Postal Service has explained that the “discontinuance

review process does not measure potential revenue loss associated with a station or branch closure because the Postal Service is unaware of any reliable method for such estimation.ö However, the Postal Service acknowledged that there is öthe expectation that some revenue would be lost.ö *See* Docket No. N2009-1, Station and Branch Optimization and Consolidation Initiative, 2009, Reply Brief of the United States Postal Service, December 16, 2009, at 35.

As the record presently stands, the Postal Service will achieve no cost savings, will incur additional payments for a five-year lease and will suffer a loss in revenue. The comments clearly indicated that the customers did not want to go to Waterloo for their postal needs and intended to cancel their post office boxes. Those customers apparently will use other services, such as UPS and FedEx, or simply use fewer mail services. In light of the presumed objective of the Postal Service to increase revenue to improve its severe financial problems, the closing of the Evansdale Branch directly contradicts that objective.

The failure to explain accurately and completely estimated savings has been noted in the need for a remand. The Commission found that the öPostal Service should incorporate these factors [additional costs for alternative service] in its evaluation of the potential economic savings resulting from closing the Innis post office when it reconsiders its decision.ö *See* Docket No. A2011-34, Innis, LA Post

Office, Innis, Louisiana, Order Remanding Determination, November 16, 2011, at 12.

If the closing of the Evansdale Branch was based on expected cost savings to the Postal Service, the record clearly does not support that cost savings. In fact, it appears that the closing will actually cause the Postal Service to lose revenue and incur additional costs. The findings about economic savings are arbitrary and not supported by the record.

CONCLUSION

For the foregoing reasons, the Postal Service's determination to close the Evansdale, Iowa, Branch should be remanded for further consideration.